

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6687

BILL NUMBER: HB 1631

NOTE PREPARED: Jan 17, 2003

BILL AMENDED:

SUBJECT: Medicaid Liens.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State

X

Summary of Legislation: This bill removes a provision that prohibits the Office of Medicaid Policy and Planning from: (1) obtaining a lien against a person lawfully residing in the home of a Medicaid recipient who provides care to the recipient in the home; and (2) enforcing a lien if the Medicaid recipient is survived by a family member. The bill removes a provision that automatically terminates a lien if the Office does not commence foreclosure within nine months after the Medicaid recipient's death. It also repeals the portion of the Medicaid law that provides: (1) \$125,000 exemption from the lien; and (2) subordination of the lien.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill would expand the available situations under which the Office of Medicaid Policy and Planning (OMPP) may obtain a lien on the real property of a Medicaid recipient who is institutionalized and unlikely to return to live in the home. OMPP has estimated that the improved ability to recover assets from the estate of recipients would result in a savings to the program of \$2.7 M, or approximately \$1 M in state General Funds.

Medicaid reported last year that the average value of real estate owned by institutionalized recipients with no spouse at home was approximately \$52,000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Office of Medicaid Policy and Planning.

Local Agencies Affected: County Recorders.

Information Sources: Donna Sembroski, Family and Social Services Administration, Office of General Counsel,
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